GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

STARRED QUESTION NO:161
ANSWERED ON:04.12.2014
ROAD PROJECTS
Raajhaa Shri Anwhar;Singh Shri Dushyant

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) the criteria laid down for award of the road projects under the Public Private Partnership (PPP) mode and the number of PPP projects sanctioned during the last three years and the current year;

(b) whether some of the Public Private Partnership (PPP) projects sanctioned during the said period have reportedly been cancelled by the National Highways Authority of India/Government, if so, the details thereof and the reasons therefor and the financial loss incurred therefor;

(c) whether the projects under PPP mode have reportedly been unduly delayed; and

(d) if so, the corrective action taken thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI PON. RADHAKRISHNAN)

(a) to (d): Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 161 ANSWERED ON 04TH DECEMBER, 2014 ASKED BY SHRI DUSHYANT SINGH AND SHRI A. ANWHAR RAAJHAA REGARDING ROAD PROJECTS.

(a) Two stage bidding is followed for award of the Public Private Partnership (PPP) projects through e-tendering process. In the first stage (RFQ), the bidders are pre-qualified based on their experience and financial capacity. Financial bids (RFP) are then invited from the pre-qualified bidders. The criteria for award of projects on BOT (Toll) mode is the lowest Viability Gap Funding (VGF) or the highest Premium. For the projects on annuity mode, the criteria for award is the lowest Annuity amount. A total of 80 projects have been awarded during the last three years and the current year.

(b) & (c) Yes Madam. The details of the cancelled projects are at Annexure-I. The main reasons for cancellation of the projects have been failure of concessionaire in arranging finances and achieving the financial closure, delay in acquisition of land and obtaining the requisite environment, forest and wildlife clearances by the Authority. For these reasons attributed both to the concessionaire and the Authority, some of the ongoing projects on PPP mode have been delayed. Implications on account of cancellation are at Annexure II.

(d) Government has taken several steps to streamline the PPP projects. These include loan to highway sector being classified as secured loan by RBI, re-scheduling of premium for stressed projects, securitization of toll revenue, creation of Infrastructure Debt Fund, exit policy for concessionaires, streamlining of land acquisition and other regulatory clearances.